

REFERENCE TITLE: internal revenue code conformity

State of Arizona
House of Representatives
Forty-eighth Legislature
First Regular Session
2007

HB 2396

Introduced by
Representatives Yarbrough, Crandall, Driggs, Murphy, Stump

AN ACT

AMENDING SECTIONS 42-1001 AND 43-105, ARIZONA REVISED STATUTES; RELATING TO TAXATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:
2 Section 1. Section 42-1001, Arizona Revised Statutes, is amended to
3 read:

4 **42-1001. Definitions**

5 In this title, unless the context otherwise requires:

6 1. "Board" or "state board" means either the state board of tax
7 appeals or the state board of equalization, as applicable.

8 2. "Court" means the tax court or superior court, whichever is
9 applicable.

10 3. "Department" means the department of revenue.

11 4. "Director" means the director of the department.

12 5. "Internal revenue code" means the United States internal revenue
13 code of 1986, as amended and in effect as of January 1, ~~2006~~ 2007, including
14 those provisions that became effective during ~~2005~~ 2006 with the specific
15 adoption of their retroactive effective dates but excluding all changes to
16 the code enacted after January 1, ~~2006~~ 2007.

17 Sec. 2. Section 43-105, Arizona Revised Statutes, is amended to read:

18 **43-105. Internal revenue code; definition; application**

19 A. FOR PURPOSES OF COMPUTING INCOME TAX PURSUANT TO THIS TITLE, FOR
20 TAXABLE YEARS BEGINNING FROM AND AFTER DECEMBER 31, 2006 THROUGH DECEMBER 31,
21 2007, "INTERNAL REVENUE CODE" MEANS THE UNITED STATES INTERNAL REVENUE CODE
22 OF 1986, AS AMENDED, IN EFFECT ON JANUARY 1, 2007, INCLUDING THOSE PROVISIONS
23 THAT BECAME EFFECTIVE DURING 2006 WITH THE SPECIFIC ADOPTION OF ALL FEDERAL
24 RETROACTIVE EFFECTIVE DATES, BUT EXCLUDING ANY CHANGE TO THE CODE ENACTED
25 AFTER JANUARY 1, 2007.

26 **A.** B. For purposes of computing income tax pursuant to this title,
27 for taxable years beginning from and after December 31, 2005 through December
28 31, 2006, "internal revenue code" means the United States internal revenue
29 code of 1986, as amended, in effect on January 1, 2006, including those
30 provisions that became effective during 2005 with the specific adoption of
31 all federal retroactive effective dates, ~~but excluding any change to the code~~
~~enacted after January 1, 2006~~ AND INCLUDING THOSE PROVISIONS OF THE TAX
33 INCREASE PREVENTION AND RECONCILIATION ACT OF 2005 (P.L. 109-222) AND THE
34 PENSION PROTECTION ACT OF 2006 (P.L. 109-280) THAT ARE RETROACTIVELY
35 EFFECTIVE DURING TAXABLE YEARS BEGINNING FROM AND AFTER DECEMBER 31, 2005
36 THROUGH DECEMBER 31, 2006.

37 **B.** C. For purposes of computing income tax pursuant to this title,
38 for taxable years beginning from and after December 31, 2004 through December
39 31, 2005, "internal revenue code" means the United States internal revenue
40 code of 1986, as amended, in effect on January 1, 2005, including those
41 provisions that became effective during 2004 with the specific adoption of
42 all federal retroactive effective dates and including those provisions of the
43 Katrina emergency tax relief act of 2005 (P.L. 109-73), the energy tax
44 incentives act of 2005 (title XIII of the energy policy act of 2005 (P.L.
45 109-58)) and the gulf opportunity zone act of 2005 (P.L. 109-135) that are

1 retroactively effective during taxable years beginning from and after
2 December 31, 2004 through December 31, 2005.

3 ~~C.~~ D. For purposes of computing income tax pursuant to this title,
4 for taxable years beginning from and after December 31, 2003 through December
5 31, 2004, "internal revenue code" means the United States internal revenue
6 code of 1986, as amended, in effect on January 1, 2004, including those
7 provisions that became effective during 2003 with the specific adoption of
8 all federal retroactive effective dates and including those provisions of the
9 working families tax relief act of 2004 (P.L. 108-311), the American jobs
10 creation act of 2004 (P.L. 108-357), the Katrina emergency tax relief act of
11 2005 (P.L. 109-73), the energy tax incentives act of 2005 (title XIII of the
12 energy policy act of 2005 (P.L. 109-58)) and the gulf opportunity zone act of
13 2005 (P.L. 109-135) that are retroactively effective during taxable years
14 beginning from and after December 31, 2003 through December 31, 2004.

15 ~~D.~~ E. For purposes of computing income tax pursuant to this title,
16 for taxable years beginning from and after December 31, 2002 through December
17 31, 2003, "internal revenue code" means the United States internal revenue
18 code of 1986, as amended, in effect on January 1, 2003, including those
19 provisions that became effective during 2002 with the specific adoption of
20 all federal retroactive effective dates and including those provisions of the
21 working families tax relief act of 2004 (P.L. 108-311), the American jobs
22 creation act of 2004 (P.L. 108-357), the jobs and growth tax relief
23 reconciliation act of 2003 (P.L. 108-27), the military family tax relief act
24 of 2003 (P.L. 108-121) and the medicare prescription drug, improvement, and
25 modernization act of 2003 (P.L. 108-173) that are retroactively effective
26 during taxable years beginning from and after December 31, 2002 through
27 December 31, 2003.

28 ~~E.~~ F. For purposes of computing income tax pursuant to this title,
29 for taxable years beginning from and after December 31, 2001 through December
30 31, 2002, "internal revenue code" means the United States internal revenue
31 code of 1986, as amended, in effect on March 9, 2002, including those
32 provisions that became effective during 2001 with the specific adoption of
33 all federal retroactive effective dates and including those provisions of the
34 working families tax relief act of 2004 (P.L. 108-311), the American jobs
35 creation act of 2004 (P.L. 108-357), the jobs and growth tax relief
36 reconciliation act of 2003 (P.L. 108-27) and the military family tax relief
37 act of 2003 (P.L. 108-121) that are retroactively effective during taxable
38 years beginning from and after December 31, 2001 through December 31, 2002.

39 ~~F.~~ G. For purposes of computing income tax pursuant to this title,
40 for taxable years beginning from and after December 31, 2000 through December
41 31, 2001, "internal revenue code" means the United States internal revenue
42 code of 1986, as amended, in effect on January 1, 2001, including those
43 provisions that became effective during 2000 with the specific adoption of
44 all federal retroactive effective dates and including those provisions of the
45 working families tax relief act of 2004 (P.L. 108-311), the American jobs

1 creation act of 2004 (P.L. 108-357), the economic growth and tax relief
2 reconciliation act of 2001 (P.L. 107-16), the job creation and worker
3 assistance act of 2002 (P.L. 107-147) and the military family tax relief act
4 of 2003 (P.L. 108-121) that are retroactively effective during taxable years
5 beginning from and after December 31, 2000 through December 31, 2001.

6 ~~G.~~ H. For purposes of computing income tax pursuant to this title,
7 for taxable years beginning from and after December 31, 1999 through December
8 31, 2000, "internal revenue code" means the United States internal revenue
9 code of 1986, as amended, in effect on January 1, 2000, including those
10 provisions that became effective during 1999 with the specific adoption of
11 all federal retroactive effective dates and including those provisions of the
12 community renewal tax relief act of 2000 (P.L. 106-554), the installment tax
13 correction act of 2000 (P.L. 106-573), FSC repeal and extraterritorial income
14 exclusion act of 2000 (P.L. 106-519), the trade and development act of 2000
15 (P.L. 106-200), the economic growth and tax relief reconciliation act of 2001
16 (P.L. 107-16), the job creation and worker assistance act of 2002
17 (P.L. 107-147) and the military family tax relief act of 2003 (P.L. 108-121)
18 that are retroactively effective during taxable years beginning from and
19 after December 31, 1999 through December 31, 2000.

20 ~~H.~~ I. For purposes of computing income tax pursuant to this title,
21 for taxable years beginning from and after December 31, 1998 through December
22 31, 1999, "internal revenue code" means the United States internal revenue
23 code of 1986, as amended, in effect on January 1, 1999, including those
24 provisions that became effective during 1998 with the specific adoption of
25 all federal retroactive effective dates and including those provisions of the
26 miscellaneous trade and technical corrections act of 1999 (P.L. 106-36), the
27 ticket to work and work incentives improvement act of 1999 (P.L. 106-170),
28 the community renewal tax relief act of 2000 (P.L. 106-554), the installment
29 tax correction act of 2000 (P.L. 106-573) and the military family tax relief
30 act of 2003 (P.L. 108-121) that are retroactively effective during taxable
31 years beginning from and after December 31, 1998 through December 31, 1999.

32 ~~I.~~ J. For purposes of computing income tax pursuant to this title,
33 for taxable years beginning from and after December 31, 1997 through December
34 31, 1998, "internal revenue code" means the United States internal revenue
35 code of 1986, as amended, in effect on January 1, 1998, including those
36 provisions that became effective during 1997 with the specific adoption of
37 all federal retroactive effective dates and including those provisions of the
38 IRS restructuring and reform act of 1998 (P.L. 105-206), the tax and trade
39 relief extension act of 1998 (P.L. 105-277), the surface transportation
40 revenue act of 1998 (P.L. 105-178), the miscellaneous trade and technical
41 corrections act of 1999 (P.L. 106-36) and the military family tax relief act
42 of 2003 (P.L. 108-121) that are retroactively effective during the taxable
43 years beginning from and after December 31, 1997 through December 31, 1998.

44 ~~J.~~ K. For purposes of computing income tax pursuant to this title,
45 for taxable years beginning from and after December 31, 1996 through December

1 31, 1997, "internal revenue code" means the United States internal revenue
2 code of 1986, as amended, in effect on January 1, 1997, including those
3 provisions that became effective during 1996 with the specific adoption of
4 all federal retroactive effective dates and including the provisions of the
5 taxpayer relief act of 1997 (P.L. 105-34), the IRS restructuring and reform
6 act of 1998 (P.L. 105-206), the tax and trade relief extension act of 1998
7 (P.L. 105-277) and the military family tax relief act of 2003 (P.L. 108-121)
8 that are retroactively effective during taxable years beginning from and
9 after December 31, 1996 through December 31, 1997.

10 K. ~~For purposes of computing income tax pursuant to this title, for
11 taxable years beginning from and after December 31, 1995 through December 31,
12 1996, "internal revenue code" means the United States internal revenue code
13 of 1986, as amended, in effect on January 1, 1996, including those provisions
14 that became effective during 1995 with the specific adoption of their
15 retroactive effective date and including those provisions of the small
16 business job protection act of 1996 (P.L. 104-188; 110 Stat. 1755), the
17 health insurance portability and accountability act of 1996 (P.L. 104-191;
18 110 Stat. 1936), the personal responsibility and work opportunity
19 reconciliation act of 1996 (P.L. 104-193; 110 Stat. 2105), the taxpayer
20 relief act of 1997 (P.L. 105-34), the IRS restructuring and reform act of
21 1998 (P.L. 105-206) and the tax and trade relief extension act of 1998
22 (P.L. 105-277) that are retroactively effective during taxable years
23 beginning from and after December 31, 1995 through December 31, 1996.~~